

E-File: February 13, 2011

KOLESAR & LEATHAM

NILE LEATHAM, ESQ.

Nevada Bar No. 002838

SHLOMO S. SHERMAN, ESQ.

Nevada Bar No. 009688

400 South Rampart Boulevard, Suite 400

Las Vegas, NV 89145

Telephone: 702.362.7800

Facsimile: 702.362.9472

E-Mail: nleatham@klnevada.com

ssherman@klnevada.com

AKIN GUMP STRAUSS HAUER & FELD LLP

PHILIP C. DUBLIN, ESQ.

New York Bar No. 2959344

ABID QURESHI, ESQ.

New York Bar No. 2684637

One Bryant Park

New York, NY 10036

Telephone: 212.872.1000

Facsimile: 212.872.1002

E-Mail: pdublin@akingump.com

aqureshi@akingump.com

Attorneys for Reorganized Debtors

Attorneys for Reorganized Debtors

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka

“Rhodes Homes, et al.,¹

Debtors.

Case No.: BK-S-09-14814-LBR
(Jointly Administered)

Chapter 11

DECLARATION OF JUSTIN H. BELL

Affects:

☐ All Debtors

☒ Affects the following Debtor(s):

Bravo, Inc. 09-14825

Trial Date: March 5, 2012

Trial Time: 9:30 a.m.

Courtroom 1

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

DECLARATION OF JUSTIN H. BELL

I, Justin H. Bell, declare as follows:

1. I am an attorney at law admitted to practice in the State of New York and in the United States District Court for the Southern District of New York. I have filed an application to appear *pro hac vice* in this matter. I am a member of the firm of Akin Gump Strauss Hauer & Feld, LLC ("Akin Gump"), which firm maintains offices at One Bryant Park, New York, New York 10036.

2. I make this declaration support of the *Pre-Trial Brief of the Reorganized Debtors*, submitted herewith (the "Pre-trial Brief"). Capitalized terms used but not defined herein shall have the meanings and definitions ascribed to them in the Pre-trial Brief.

3. Attached hereto as Exhibit A is a true and correct copy of the IRS Claim, which was designated as Claim 7-2 in the claims register maintained by the Bankruptcy Court in Bravo's case.

4. Attached hereto as Exhibit B is a true and correct copy of the Internal Revenue Service's Examination Report and related forms.

5. Attached hereto as Exhibit C is a true and correct copy of excerpts of the Deposition of Dean Griffith, dated Feb. 9, 2012.

6. Attached hereto as Exhibit D is a true and correct copy of the Declaration of Dean Griffiths in Support of Debtors' Objection to Claim No. 7 Filed by the Internal Revenue Service Against Debtor Bravo, Inc. [Re: Docket No. 1377].

7. Attached hereto as Exhibit E is a true and correct copy of excerpts of the Deposition of James Garner, dated Jan. 18, 2012.

8. Attached hereto as Exhibit F is a true and correct copy of excerpts of the Deposition of Pamela Garner, dated Jan. 18, 2012.

9. Attached hereto as Exhibit G is a true and correct copy of excerpts of the Deposition of Marlene Marcus, dated Jan. 18, 2012.

10. Attached hereto as Exhibit H is a true and correct copy of excerpts of the Deposition of Sergio Juarez, dated Jan. 17, 2012.

Executed this 13th day of February, 2011 at New York, New York.

Justin H. Bell

Exhibit A

B10 (Official Form 10) (04/10)

UNITED STATES BANKRUPTCY COURT _____ DISTRICT OF NEVADA _____		PROOF OF CLAIM
Name of Debtor: BRAVO LLC		Case Number: 09-14825-LBR
<i>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request of payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.</i>		
Name of Creditor (The person or other entity to whom the debtor owes money or property): Department of the Treasury - Internal Revenue Service		<input checked="" type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: 7 <i>(If known)</i> Filed on: <u>09/24/2009</u>
Name and address where notices should be sent: Internal Revenue Service P.O. Box 21126 Philadelphia, PA 19114		
Telephone number: 1-800-913-9358 Creditor Number: 4352630		
Name and address where payments should be sent (if different from above): Internal Revenue Service 110 CITY PARKWAY M/S 5028 LVG LAS VEGAS, NV 89106		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
Telephone Number: (702) 868-5348 1. Amount of Claim as of Date Case Filed: \$ <u>3,886,456.75</u> If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7). <input checked="" type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(____). Amount entitled to priority: <u>\$ 1,326,068.11</u> <i>*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>
2. Basis for Claim: <u>Taxes</u> (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor: <u>See Attachment</u> 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate ____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
Date: 04/12/2010 /s/ SANDRA MCKENZIE, Bankruptcy Specialist (702) 868-5348	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. Internal Revenue Service 110 CITY PARKWAY M/S 5028 LVG LAS VEGAS, NV 89106	
FOR COURT USE ONLY		

Proof of Claim for Internal Revenue Taxes

Department of the Treasury/Internal Revenue Service



Form 10
Attachment

In the Matter of: BRAVO LLC
4730 S FORT APACHE 300
LAS VEGAS, NV 89147

Case Number
09-14825-LBR
Type of Bankruptcy Case
CHAPTER 11
Date of Petition
03/31/2009

Amendment No. 1 to Proof of Claim dated 09/24/2009.

The United States has not identified a right of setoff or counterclaim. However, this determination is based on available data and is not intended to waive any right to setoff against this claim debts owed to this debtor by this or any other federal agency. All rights of setoff are preserved and will be asserted to the extent lawful.

Unsecured Priority Claims under section 507(a)(8) of the Bankruptcy Code

<i>Taxpayer ID Number</i>	<i>Kind of Tax</i>	<i>Tax Period</i>	<i>Date Tax Assessed</i>	<i>Tax Due</i>	<i>Interest to Petition Date</i>
XX-XXX2642	WT-FICA	09/30/2000	/ EXAM	\$2,445.76	\$1,718.71
XX-XXX2642	WT-FICA	12/31/2000	/ EXAM	\$43,350.52	\$28,812.70
XX-XXX2642	WT-FICA	03/31/2001	/ EXAM	\$60,687.05	\$38,224.06
XX-XXX2642	WT-FICA	06/30/2001	/ EXAM	\$72,792.48	\$43,579.39
XX-XXX2642	WT-FICA	09/30/2001	/ EXAM	\$46,081.15	\$26,299.57
XX-XXX2642	WT-FICA	12/31/2001	/ EXAM	\$79,711.11	\$43,408.00
XX-XXX2642	WT-FICA	03/31/2002	/ EXAM	\$58,704.96	\$30,651.94
XX-XXX2642	WT-FICA	06/30/2002	/ EXAM	\$46,411.91	\$23,173.03
XX-XXX2642	WT-FICA	09/30/2002	/ EXAM	\$89,247.40	\$42,552.19
XX-XXX2642	WT-FICA	12/31/2002	/ EXAM	\$167,758.48	\$76,474.48
XX-XXX2642	WT-FICA	03/31/2003	/ EXAM	\$140,313.26	\$61,488.07
XX-XXX2642	WT-FICA	06/30/2003	/ EXAM	\$71,948.46	\$30,233.43
				\$879,452.54	\$446,615.57

Total Amount of Unsecured Priority Claims:

\$1,326,068.11

Unsecured General Claims

<i>Taxpayer ID Number</i>	<i>Kind of Tax</i>	<i>Tax Period</i>	<i>Date Tax Assessed</i>	<i>Tax Due</i>	<i>Interest to Petition Date</i>
XX-XXX2642	WT-FICA	09/30/2000	/ EXAM	\$1,060.00	\$3,283.24
XX-XXX2642	WT-FICA	12/31/2000	/ EXAM	\$18,789.33	\$55,037.97
XX-XXX2642	FUTA	12/31/2000	/ EXAM	\$10,000.00	\$0.00
XX-XXX2642	WT-FICA	03/31/2001	/ EXAM	\$26,303.46	\$73,015.56
XX-XXX2642	WT-FICA	06/30/2001	/ EXAM	\$31,550.29	\$83,245.31
XX-XXX2642	WT-FICA	09/30/2001	/ EXAM	\$19,972.85	\$50,237.38
XX-XXX2642	WT-FICA	12/31/2001	/ EXAM	\$34,549.01	\$82,917.82
XX-XXX2642	FUTA	12/31/2001	/ EXAM	\$10,000.00	\$0.00
XX-XXX2642	WT-FICA	03/31/2002	/ EXAM	\$25,444.36	\$58,551.30
XX-XXX2642	WT-FICA	06/30/2002	/ EXAM	\$20,116.21	\$44,265.11
XX-XXX2642	WT-FICA	09/30/2002	/ EXAM	\$38,682.30	\$81,283.11
XX-XXX2642	WT-FICA	12/31/2002	/ EXAM	\$72,711.18	\$146,081.43
XX-XXX2642	FUTA	12/31/2002	/ EXAM	\$10,000.00	\$0.00
XX-XXX2642	WT-FICA	03/31/2003	/ EXAM	\$60,815.66	\$117,454.42
XX-XXX2642	WT-FICA	06/30/2003	/ EXAM	\$31,184.46	\$53,757.86

Proof of Claim for Internal Revenue Taxes

Department of the Treasury/Internal Revenue Service



Form 10
Attachment

In the Matter of: BRAVO LLC
4730 S FORT APACHE 300
LAS VEGAS, NV 89147

Case Number
09-14825-LBR

Type of Bankruptcy Case
CHAPTER 11

Date of Petition
03/31/2009

Amendment No. 1 to Proof of Claim dated 09/24/2009.

Unsecured General Claims (Continued from Page 1)

<i>Taxpayer ID Number</i>	<i>Kind of Tax</i>	<i>Tax Period</i>	<i>Date Tax Assessed</i>	<i>Tax Due</i>	<i>Interest to Petition Date</i>
XX-XXX2642	FUTA	12/31/2003	I EXAM	\$10,000.00	\$0.00
XX-XXX2642	FUTA	12/31/2004	I EXAM	\$10,000.00	\$0.00
				<u>\$431,179.11</u>	<u>\$849,130.51</u>

Penalty to date of petition on unsecured general claims (including interest thereon) \$1,280,079.02

Total Amount of Unsecured General Claims:

\$2,560,388.64

Exhibit B

Form 4666 <small>(Rev. February 1994)</small>	Department of the Treasury - Internal Revenue Service Summary of Employment Tax Examination	Page 1 of 1								
Name and Address of Employer BRAVO LLC 4730 S FORT APACHE #300 LAS VEGAS, NV 89147		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;"> Employer Identification Number 88-0282642 </td> <td style="width:40%;"> Date of Report 03/23/10 </td> </tr> <tr> <td colspan="2"> Type of Report Delinquent tax <input type="checkbox"/> Increase (Decrease) in Tax <input type="checkbox"/> <small>(Return not filed) (Return filed)</small> </td> </tr> <tr> <td colspan="2"> <input type="checkbox"/> Agreed <small>(This report is subject to Review and you will be notified by the Area Director when it is accepted)</small> </td> </tr> <tr> <td colspan="2"> <input type="checkbox"/> Unagreed </td> </tr> </table>	Employer Identification Number 88-0282642	Date of Report 03/23/10	Type of Report Delinquent tax <input type="checkbox"/> Increase (Decrease) in Tax <input type="checkbox"/> <small>(Return not filed) (Return filed)</small>		<input type="checkbox"/> Agreed <small>(This report is subject to Review and you will be notified by the Area Director when it is accepted)</small>		<input type="checkbox"/> Unagreed	
Employer Identification Number 88-0282642	Date of Report 03/23/10									
Type of Report Delinquent tax <input type="checkbox"/> Increase (Decrease) in Tax <input type="checkbox"/> <small>(Return not filed) (Return filed)</small>										
<input type="checkbox"/> Agreed <small>(This report is subject to Review and you will be notified by the Area Director when it is accepted)</small>										
<input type="checkbox"/> Unagreed										

Following is a summary of the results of my examination of your returns as shown on the attached pages of this report.

a	b	Tax and Penalties				f
Calendar Year	Return Form Number	c	d		e	Page number of Report
		Delinquent Tax, Increase (Decrease) In Tax	Penalty		Total	
			Code Section	Amount		
2001	941	\$371,647.39	6651 66565663 (a	382,884.96	754,532.35	1
2002	941	\$519,076.81	6651 6656 6663(a	534,772.23	1,053,849.04	2
2003	941	\$304,261.85	6651 6656 6663(a	313,461.87	617,723.72	3
2000	941	\$65,645.66	6651 6656 5663 (a	67,630.61	133,276.27	4
Total		\$1,260,631.71		1,298,749.67	\$2,559,381.38	

Other Information

This does not constitute an Income Tax Examination

Examining Officer's Signature CHERYL HANNA	District MESA, AZ SBSE:SP:ET:WT:8
Cat. No. 41874S	

Form 4668 (Rev. April 1994)	Department of the Treasury - Internal Revenue Service Employment Tax Examination Changes Report	Pg. 4 of 4 Return Form number 941
Name and Address of Employer BRAVO LLC 4730 S FORT APACHE #300 LAS VEGAS, NV 89147	Employer Identification number 88-0282642	Calendar year 2000
	Total tax plus penalty, or (decrease) in tax \$133,276.27	Last quarter of this examination 06/30/03

Examination discussed with (Name and title)

☐ Agreed (Subject to acceptance of the Area Director)☐ Unagreed

	IRS Ref.	(a) Applicable Rate	(b) 1st Quarter	(c) 2nd Quarter	(d) 3rd Quarter	(e) 4th Quarter
1. Social security and Medicare wage adjustment subject to tax under IRC 3101 and 3111	004	12.40%			13,857.00	\$245,612.00
	073	2.90%			13,857.00	245,612.00
2. Social security and Medicare wage adjustment subject to tax under IRC 3509(a)	079	7.44%				
	079	1.74%				
3. Social security and Medicare wage adjustment subject to tax under IRC 3509(b)	079	8.68%				
	079	2.03%				
4. Social security and Medicare tip adjustment subject to tax under IRC 3101 and 3111	005	6.20%				
	073	1.45%				
5. Income withholding wage adjustment subject to tax under section 3402		10.00%			13,857.00	245,612.00
6. Income withholding wage adjustment subject to tax under section 3509	079	1.50%				
	079	3.00%				
7. Payments subject to backup withholding under IRC 3406		28.00%				
8. Adjustment to social security tax and Medicare tax						
9. Adjustment to income tax withholding						
Total social security and Medicare tax (lines 1, 2, 3, 4 x rates) plus/minus Line 8	112				2,120.12	37,578.64
11. Total income tax withholding (line 5, 6 x rate) plus/minus Line 9	111				1,385.70	24,561.20
12. Total backup withholding (line 7 x rate) - applies to Form 945 only	008					
13. Delinquent tax increase (decrease) in tax (Lines 10 and 11) or backup withholding (Line 12)					3,505.82	62,139.84
14. Penalty code section 6651 (a)(2)					876.46	15,534.96
15. Penalty code section 6656					106.01	1,878.93
16. Penalty code section 6663 (a) Rate - 75.00% <input checked="" type="checkbox"/> Check Box to Assess					2,629.37	46,604.88
17. Maximum tax available for abatement under IRC 3402(d)					1,385.70	24,561.20

Under IRC sections 6051 and 6071 and the regulations under those sections, you are required to furnish W-2c (Statement of Corrected Income Tax Amounts) on or before the last day of January 2011 to each of the framing employees whose wages are adjusted by this report. Also, you are required to file the original of these statements with Form W-3c (Transmittal of Corrected Income and Tax Statements) by the last day of February 2011. IRC 6721 and 6722 provide penalties for failure to file and failure to furnish these statements by the required dates. Please file these statements with:

Internal Revenue Service
Centralized Case Processing
Mail Stop 8416-G
201 W. Rivercenter Blvd.
Covington, KY 41011

Examiner's signature CHERYL HANNA	Group Number 1318	District MESA, AZ SBSE:SP:ET:WT:8	Date 3/23/2010
---	---------------------------------	---	------------------------------

Return Form number 941	Penalties Computations <small>(Internal Revenue Code Sections 6651(a)1 and 6651(a)2 and 6656)</small>	Schedule Number
BRAVO LLC 4730 S FORT APACHE #300 LAS VEGAS, NV 89147		Taxpayer's Identifying Number 88-0282642 Date of Report 3/23/2010

Computation of Penalties <small>(see Penalty Chart)</small>	Tax Periods			
	1st Quarter	2nd Quarter	3rd Quarter	2000 4th Quarter
A. Tax shown on tax return				
B. Plus: Additional tax due to examination - Before Abatements under IRC 3402(d)	-	-	3,505.82	62,139.84
C. Less: Timely tax payments and credits				
D. Tax subject to penalties	-	-	3,505.82	62,139.84
E. Number of months of failure to file tax return <small>(if 5 or more, write 5)</small>	0	0	0	0
F. Number of months of failure to pay tax <small>(if 50 or more, write 50)</small>	0	0	50	50
G. Percentage rate for failure to file tax return <small>(line E x 4.5%, [5% if return filed])</small>	0.0%	0.0%	0.0%	0.0%
H. Percentage rate for failure to pay tax <small>(line F x 0.5%)</small>	0.0%	0.0%	25.0%	25.0%
I. Penalty for failure to file tax return <small>(line G x line D)</small>	-	-	-	-
J. Less payments and Credits	-	-	-	-
K. Total penalty for failure to file tax return	-	-	-	-
L. Penalty for failure to pay tax <small>(line H x line D)</small>	-	-	876.46	15,534.96
M. Less payments and Credits	-	-	-	-
N. Total penalty for failure to pay tax	-	-	876.46	15,534.96
O. Total IRC 6651 Penalty			876.46	15,534.96
P.				
Q. Gross Corrected Tax Subject to Deposit Penalty	-	-	3,505.82	62,139.84
R. Less Taxes not actually withheld (Deposit Penalty only subject to actual amounts withheld and employer's share of FICA)	0.00	0.00	2,445.76	43,350.52
S. Net Taxes subject to Deposit Penalty under IRC Section 6656	0.00	0.00	1,060.06	18,789.32
T. Deposit Penalty Rate	0.00%	0.00%	10.00%	10.00%
U. Deposit Penalty under IRC Section 6656 <small>(Line S x Line T)</small>			106.01	1,878.93
REMARKS:				
Taxes Not Actually Withheld from Employee:				
Employee's share of FICA based on full rates	0.00	0.00	1,060.06	18,789.32
Employee's share of FICA based on 3509(a)	0.00	0.00	0.00	0.00
Employee's share of FICA based on 3509(b)	0.00	0.00	0.00	0.00
Employee's Withholding under Full Rates	0.00	0.00	1,385.70	24,561.20
Employee's Withholding under 3509(a)	0.00	0.00	0.00	0.00
Employee's Withholding under 3509(b)	0.00	0.00	0.00	0.00
Total Taxes not actually withheld	0.00	0.00	2,445.76	43,350.52

Penalties Computations

Department of the Treasury - Internal Revenue Service

IRC Section 6651(a)(2), Failure to Pay Penalty, is applicable as allowed by law.

Failure to Pay Penalty shown above on Line N has been computed through

3/31/2010

The final Failure to Pay Penalty will be computed by the Service Center and billed to you at a later date.

Prepared By	Group Number	District	Date
CHERYL HANNA	1318	MESA, AZ 6BSE-SP-E	3/23/2010

Pg. 1 of 4

Form 4668 (Rev. April 1994)	Department of the Treasury - Internal Revenue Service Employment Tax Examination Changes Report	Return Form number 941
Name and Address of Employer BRAVO LLC 4730 S FORT APACHE #300 LAS VEGAS, NV 89147	Employer Identification number 88-0282642	Calendar year 2001
	Total tax plus penalty, or (decrease) in tax \$754,532.35	Last quarter of this examination 06/30/03

Examination discussed with (Name and title)

☐ Agreed (Subject to acceptance of the Area Director)☐ Unagreed

	IRS Ref.	(a) Applicable Rate	(b) 1st Quarter	(c) 2nd Quarter	(d) 3rd Quarter	(e) 4th Quarter
1. Social security and Medicare wage adjustment subject to tax under IRC 3101 and 3111	004	12.40%	343,836.00	412,422.00	261,083.00	451,621.00
	073	2.90%	343,836.00	412,422.00	261,083.00	451,621.00
2. Social security and Medicare wage adjustment subject to tax under IRC 3509(a)	079	7.44%				
	079	1.74%				
3. Social security and Medicare wage adjustment subject to tax under IRC 3509(b)	079	8.68%				
	079	2.03%				
4. Social security and Medicare tip adjustment subject to tax under IRC 3101 and 3111	005	6.20%				
	073	1.45%				
5. Income withholding wage adjustment subject to tax under section 3402		10.00%	343,836.00	412,422.00	261,083.00	451,621.00
6. Income withholding wage adjustment subject to tax under section 3509	079	1.50%				
	079	3.00%				
7. Payments subject to backup withholding under IRC 3406		31.00%				
		30.50%				
8. Adjustment to social security tax and Medicare tax						
9. Adjustment to income tax withholding						
10. Total social security and Medicare tax (lines 1, 2, 3, 4 x rates) plus/minus Line 8	112		52,606.91	63,100.57	39,945.70	69,098.01
11. Total income tax withholding (line 5, 6 x rate) plus/minus Line 9	111		34,383.60	41,242.20	26,108.30	45,162.10
12. Total backup withholding (line 7 x rate) - applies to Form 945 only	008					
13. Delinquent tax increase (decrease) in tax (Lines 10 and 11) or backup withholding (Line 12)			66,990.51	104,342.77	66,054.00	114,260.11
14. Penalty code section 6651(a)(2)			21,747.63	26,085.69	16,513.50	28,565.03
15. Penalty code section 6656			2,630.35	3,155.03	1,997.29	3,454.90
16. Penalty code section 6663 (a) Rate - 75.00% <input checked="" type="checkbox"/> Check Box to Assess			65,242.88	78,257.08	49,540.50	85,695.08
17. Maximum tax available for abatement under IRC 3402(d)			34,383.60	41,242.20	34,383.60	41,242.20

Under IRC sections 6051 and 6071 and the regulations under those sections, you are required to furnish W-2c (Statement of Corrected Income Tax Amounts) on or before the last day of January 2011 to each of the framing employees whose wages are adjusted by this report. Also, you are required to file the original of these statements with Form W-3c (Transmittal of Corrected Income and Tax Statements) by the last day of February 2011. IRC 6721 and 6722 provide penalties for failure to file and failure to furnish these statements by the required dates.

Please file these statements with:

Internal Revenue Service
Centralized Case Processing
Mail Stop 8416-G
201 W. Rivercenter Blvd.
Covington, KY 41011

Examiner's signature CHERYL HANNA	Group Number 1318	District MESA, AZ SBSE:SP:ET:WT:8	Date 3/23/2010
---	-----------------------------	---	--------------------------

Form 4668 (Rev. 04-1994)

Cat. No. 23275Z

Department of the Treasury - Internal Revenue Service

Return Form number 941	Penalties Computations <small>(Internal Revenue Code Sections 6651(a)1 and 6651(a)2 and 6656)</small>				Schedule Number
BRAVO LLC 4730 S FORT APACHE #300 LAS VEGAS, NV 89147				Taxpayer's Identifying Number 88-0282642	
				Date of Report 3/23/2010	
Computation of Penalties <small>(see Penalty Chart)</small>	Tax Periods				
	1st Quarter	2nd Quarter	3rd Quarter	2001	
				4th Quarter	
A. Tax shown on tax return					
B. Plus: Additional tax due to examination - Before Abatements under IRC 3402(d)	86,990.51	104,342.77	66,054.00	114,260.11	
C. Less: Timely tax payments and credits					
D. Tax subject to penalties	86,990.51	104,342.77	66,054.00	114,260.11	
E. Number of months of failure to file tax return (if 5 or more, write 5)	0	0	0	0	
F. Number of months of failure to pay tax (if 50 or more, write 50)	50	50	50	50	
G. Percentage rate for failure to file tax return (line E x 4.5%, (5% if return filed))	0.0%	0.0%	0.0%	0.0%	
H. Percentage rate for failure to pay tax (line F x 0.5%)	25.0%	25.0%	25.0%	25.0%	
I. Penalty for failure to file tax return (line G x line D)					
J. Less payments and Credits					
K. Total penalty for failure to file tax return					
L. Penalty for failure to pay tax (line H x line D)	21,747.63	26,085.69	16,513.50	28,565.03	
M. Less payments and Credits					
N. Total penalty for failure to pay tax	21,747.63	26,085.69	16,513.50	28,565.03	
O. Total IRC 6651 Penalty					
P.					
Q. Gross Corrected Tax Subject to Deposit Penalty	86,990.51	104,342.77	66,054.00	114,260.11	
R. Less Taxes not actually withheld (Deposit Penalty only subject to actual amounts withheld and employer's share of FICA)	60,687.05	72,792.48	46,081.15	79,711.11	
S. Net Taxes subject to Deposit Penalty under IRC Section 6656	26,303.46	31,550.29	19,972.85	34,549.00	
T. Deposit Penalty Rate	10.00%	10.00%	10.00%	10.00%	
U. Deposit Penalty under IRC Section 6656 (Line S x Line T)					
REMARKS:					
Taxes Not Actually Withheld from Employee:					
Employee's share of FICA based on full rates					
Employee's share of FICA based on 3509(a)	26,303.45	31,550.28	19,972.85	34,549.01	
Employee's share of FICA based on 3509(b)	0.00	0.00	0.00	0.00	
Employee's Withholding under Full Rates	0.00	0.00	0.00	0.00	
Employee's Withholding under 3509(a)	34,383.60	41,242.20	26,108.30	45,162.10	
Employee's Withholding under 3509(b)	0.00	0.00	0.00	0.00	
Total Taxes not actually withheld	60,687.05	72,792.48	46,081.15	79,711.11	

Penalties Computations

Department of the Treasury - Internal Revenue Service

IRC Section 6651(a)(2), Failure to Pay Penalty, is applicable as allowed by law.**Failure to Pay Penalty shown above on Line N has been computed through****3/31/2010****The final Failure to Pay Penalty will be computed by the Service Center and billed to you at a later date.**

Prepared By	Group Number	District	Date
CHERYL HANNA	1318	MESA, AZ SBSE:SP:E	3/23/2010

Pg. 2 of 4

Form 4668 (Rev. April 1994)		Department of the Treasury - Internal Revenue Service Employment Tax Examination Changes Report				Return Form number 941	
Name and Address of Employer BRAVO LLC 4730 S FORT APACHE #300 LAS VEGAS, NV 89147				Employer Identification number 88-0282642		Calendar year 2002	
				Total tax plus penalty, or (decrease) in tax \$1,053,849.04		Last quarter of this examination 06/30/03	
Examination discussed with (Name and title)				<input type="checkbox"/> Agreed (Subject to acceptance of the Area Director) <input type="checkbox"/> Unagreed			
	IRS Ref.	(a) Applicable Rate	(b) 1st Quarter	(c) 2nd Quarter	(d) 3rd Quarter	(e) 4th Quarter	
1. Social security and Medicare wage adjustment subject to tax under IRC 3101 and 3111	004	12.40%	332,606.00	262,957.00	505,651.00	\$950,473.00	
	073	2.90%	332,606.00	262,957.00	505,651.00	\$950,473.00	
2. Social security and Medicare wage adjustment subject to tax under IRC 3509(a)	079	7.44%					
	079	1.74%					
3. Social security and Medicare wage adjustment subject to tax under IRC 3509(b)	079	8.68%					
	079	2.03%					
4. Social security and Medicare tip adjustment subject to tax under IRC 3101 and 3111	005	6.20%					
	073	1.45%					
5. Income withholding wage adjustment subject to tax under section 3402		10.00%	332,606.00	262,957.00	505,651.00	950,473.00	
6. Income withholding wage adjustment subject to tax under section 3509	079	1.50%					
	079	3.00%					
7. Payments subject to backup withholding under IRC 3406		30.00%					
8. Adjustment to social security tax and Medicare tax							
9. Adjustment to income tax withholding							
10. Total social security and Medicare tax (lines 1, 2, 3, 4 x rates) plus/minus Line 8	112		50,888.72	40,232.42	77,364.60	145,422.37	
11. Total Income tax withholding (line 5, 6 x rate) plus/minus Line 9	111		33,260.60	26,295.70	50,565.10	95,047.30	
12. Total backup withholding (line 7 x rate) - applies to Form 945 only	008						
13. Delinquent tax increase (decrease) in tax (Lines 10 and 11) or backup withholding (Line 12)		25.3%	84,149.32	66,528.12	127,929.70	240,469.67	
14. Penalty code section 6651(a)(2)			21,037.33	16,632.03	31,982.43	60,117.42	
15. Penalty code section 6656			2,544.44	2,011.62	3,868.23	7,271.12	
16. Penalty code section 6663(a) Rate - 75.00% <input checked="" type="checkbox"/> Check Box to Assess			63,111.99	49,896.09	95,947.28	180,352.25	
17. Maximum tax available for abatement under IRC 3402(d)			33,260.60	26,295.70	50,565.10	95,047.30	

Under IRC sections 6051 and 6071 and the regulations under those sections, you are required to furnish W-2c (Statement of Corrected Income Tax Amounts) on or before the last day of January 2011 to each of the framing employees whose wages are adjusted by this report. Also, you are required to file the original of these statements with Form W-3c (Transmittal of Corrected Income and Tax Statements) by the last day of February 2011. IRC 6721 and 6722 provide penalties for failure to file and failure to furnish these statements by the required dates. Please file these statements with:

Internal Revenue Service
Centralized Case Processing
Mail Stop 8416-G
201 W. Rivercenter Blvd.
Covington, KY 41011

Examiner's signature CHERYL HANNA	Group Number 1318	District MESA, AZ SBSE:SP:ET:WT:6	Date 3/23/2010
Form 4668 (Rev. 04-1994)	Cat. No. 23275Z	Department of the Treasury - Internal Revenue Service	

Return Form number 941	Penalties Computations (Internal Revenue Code Sections 6651(a)1 and 6651(a)2 and 6656)	Schedule Number
----------------------------------	--	-----------------

BRAVO LLC
4730 S FORT APACHE #300
LAS VEGAS, NV 89147

Taxpayer's Identifying Number

88-0282642

Date of Report

3/23/2010

Computation of Penalties (see Penalty Chart)	Tax Periods			
	1st Quarter	2nd Quarter	3rd Quarter	2002 4th Quarter
A. Tax shown on tax return				
B. Plus: Additional tax due to examination - Before Abatements under IRC 3402(d)	84,149.32	66,528.12	127,929.70	240,469.67
C. Less: Timely tax payments and credits				
D. Tax subject to penalties	84,149.32	66,528.12	127,929.70	240,469.67
E. Number of months of failure to file tax return (if 5 or more, write 5)	0	0	0	0
F. Number of months of failure to pay tax (if 50 or more, write 50)	50	50	50	50
G. Percentage rate for failure to file tax return (line E x 4.5%, [5% if return filed])	0.0%	0.0%	0.0%	0.0%
H. Percentage rate for failure to pay tax (line F x 0.5%)	25.0%	25.0%	25.0%	25.0%
I. Penalty for failure to file tax return (line G x line D)	-	-	-	-
J. Less payments and Credits	-	-	-	-
K. Total penalty for failure to file tax return	-	-	-	-
L. Penalty for failure to pay tax (line H x line D)	21,037.33	16,632.03	31,982.43	60,117.42
M. Less payments and Credits	-	-	-	-
N. Total penalty for failure to pay tax	21,037.33	16,632.03	31,982.43	60,117.42
O. Total IRC 6651 Penalty	21,037.33	16,632.03	31,982.43	60,117.42
P.				
Q. Gross Corrected Tax Subject to Deposit Penalty	84,149.32	66,528.12	127,929.70	240,469.67
R. Less Taxes not actually withheld (Deposit Penalty only subject to actual amounts withheld and employer's share of FICA)	58,704.96	46,411.91	89,247.40	167,758.48
S. Net Taxes subject to Deposit Penalty under IRC Section 6656	25,444.36	20,116.21	38,682.30	72,711.19
T. Deposit Penalty Rate	10.00%	10.00%	10.00%	10.00%
U. Deposit Penalty under IRC Section 6656 (Line S x Line T)	2,544.44	2,011.62	3,868.23	7,271.12
REMARKS:				
Taxes Not Actually Withheld from Employee:				
Employee's share of FICA based on full rates	25,444.36	20,116.21	38,682.30	72,711.19
Employee's share of FICA based on 3509(a)	0.00	0.00	0.00	0.00
Employee's share of FICA based on 3509(b)	0.00	0.00	0.00	0.00
Employee's Withholding under Full Rates	33,280.60	26,295.70	50,565.10	95,047.30
Employee's Withholding under 3509(a)	0.00	0.00	0.00	0.00
Employee's Withholding under 3509(b)	0.00	0.00	0.00	0.00
Total Taxes not actually withheld	58,704.96	46,411.91	89,247.40	167,758.48

Penalties Computations

Department of the Treasury - Internal Revenue Service

IRC Section 6651(a)(2), Failure to Pay Penalty, is applicable as allowed by law.

Failure to Pay Penalty shown above on Line N has been computed through

3/31/2010

The final Failure to Pay Penalty will be computed by the Service Center and billed to you at a later date.

Prepared By	Group Number	District	Date
CHERYL HANNA	1318	MESA, AZ SBSE:SP-E	3/23/2010

Form 4668 (Rev. April 1994)	Department of the Treasury - Internal Revenue Service Employment Tax Examination Changes Report	Pg. 3 of 4 Return Form number 941
Name and Address of Employer BRAVO LLC 4730 S FORT APACHE #300 LAS VEGAS, NV 89147	Employer Identification number 88-0282642	Calendar year 2003
	Total tax plus penalty, or (decrease) in tax \$617,723.72	Last quarter of this examination 06/30/03
Examination discussed with (Name and title)	<input type="checkbox"/> Agreed (Subject to acceptance of the Area Director) <input type="checkbox"/> Unagreed	

	IRS Ref.	(a) Applicable Rate	(b) 1st Quarter	(c) 2nd Quarter	(d) 3rd Quarter	(e) 4th Quarter
1. Social security and Medicare wage adjustment subject to tax under IRC 3101 and 3111	004	12.40%	794,976.00	407,640.00		
	073	2.90%	794,976.00	407,640.00		
2. Social security and Medicare wage adjustment subject to tax under IRC 3509(a)	079	7.44%				
	079	1.74%				
3. Social security and Medicare wage adjustment subject to tax under IRC 3509(b)	079	8.68%				
	079	2.03%				
4. Social security and Medicare tip adjustment subject to tax under IRC 3101 and 3111	005	6.20%				
	073	1.45%				
5. Income withholding wage adjustment subject to tax under section 3402		10.00%	794,976.00	407,640.00		
6. Income withholding wage adjustment subject to tax under section 3509	079	1.50%				
	079	3.00%				
7. Payments subject to backup withholding under IRC 3406		28.00%				
8. Adjustment to social security tax and Medicare tax						
9. Adjustment to income tax withholding						
10. Total social security and Medicare tax (lines 1, 2, 3, 4 x rates) plus/minus Line 8	112		121,631.33	62,368.92		
11. Total income tax withholding (line 5, 6 x rate) plus/minus Line 9	111		79,497.60	40,764.00		
12. Total backup withholding (line 7 x rate) - applies to Form 945 only	008					
13. Delinquent tax increase (decrease) in tax (Lines 10 and 11) or backup withholding (Line 12)			201,128.93	103,132.92		
14. Penalty code section 6651(a)(2)			50,282.23	25,783.23		
15. Penalty code section 6656			6,081.57	3,118.45		
16. Penalty code section 6663(a) Rate - 75.00% <input checked="" type="checkbox"/> Check Box to Assess			150,846.70	77,349.69		
17. Maximum tax available for abatement under IRC 3402(d)			79,497.60	40,764.00		

Under IRC sections 6051 and 6071 and the regulations under those sections, you are required to furnish W-2c (Statement of Corrected Income Tax Amounts) on or before the last day of January 2011 to each of the Framing employees whose wages are adjusted by this report. Also, you are required to file the original of these statements with Form W-3c (Transmittal of Corrected Income and Tax Statements) by the last day of February 2011 IRC 6721 and 6722 provide penalties for failure to file and failure to furnish these statements by the required dates. Please file these statements with:

Internal Revenue Service
Centralized Case Processing
Mail Stop 8416-G
201 W. Rivercenter Blvd.
Covington, KY 41011

Examiner's signature CHERYL HANNA in 4668 (Rev. 04-1994)	Group Number 1318 Cat. No. 23275Z	District MESA, AZ SBSE:SP:ET:WT:6	Date 3/23/2010
---	--	---	------------------------------

Department of the Treasury - Internal Revenue Service

Return Form number 941	Penalties Computations <small>(Internal Revenue Code Sections 6651(a)1 and 6651(a)2 and 6656)</small>	Schedule Number
BRAVO LLC 4730 S FORT APACHE #300 LAS VEGAS, NV 89147		Taxpayer's Identifying Number 88-0282642 Date of Report 3/23/2010

Computation of Penalties <small>(see Penalty Chart)</small>	Tax Periods 2003			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
A. Tax shown on tax return				
B. Plus: Additional tax due to examination - Before Abatements under IRC 3402(d)	201,128.93	103,132.92	-	-
C. Less: Timely tax payments and credits				
D. Tax subject to penalties	201,128.93	103,132.92	-	-
E. Number of months of failure to file tax return <small>(if 5 or more, write 5)</small>	0	0	0	0
F. Number of months of failure to pay tax <small>(if 50 or more, write 50)</small>	50	50		
G. Percentage rate for failure to file tax return <small>(line E x 4.5%, (5% if return filed))</small>	0.0%	0.0%	0.0%	0.0%
H. Percentage rate for failure to pay tax <small>(line F x 0.5%)</small>	25.0%	25.0%	0.0%	0.0%
I. Penalty for failure to file tax return <small>(line G x line D)</small>	-	-	-	-
J. Less payments and Credits				
K. Total penalty for failure to file tax return	-	-	-	-
L. Penalty for failure to pay tax <small>(line H x line D)</small>	50,282.23	25,783.23	-	-
M. Less payments and Credits				
N. Total penalty for failure to pay tax	50,282.23	25,783.23	-	-
O. Total IRC 6651 Penalty	50,282.23	25,783.23	-	-
P.				
Q. Gross Corrected Tax Subject to Deposit Penalty	201,128.93	103,132.92	-	-
R. Less Taxes not actually withheld (Deposit Penalty only subject to actual amounts withheld and employer's share of FICA)	140,313.26	71,948.46	0.00	0.00
S. Net Taxes subject to Deposit Penalty under IRC Section 6656	60,815.67	31,184.46	0.00	0.00
T. Deposit Penalty Rate	10.00%	10.00%	10.00%	10.00%
U. Deposit Penalty under IRC Section 6656 <small>(Line S x Line T)</small>	6,081.57	3,118.45	-	-
REMARKS:				
Taxes Not Actually Withheld from Employee:				
Employee's share of FICA based on full rates	60,815.66	31,184.46	0.00	0.00
Employee's share of FICA based on 3509(a)	0.00	0.00	0.00	0.00
Employee's share of FICA based on 3509(b)	0.00	0.00	0.00	0.00
Employee's Withholding under Full Rates	79,497.60	40,764.00	0.00	0.00
Employee's Withholding under 3509(a)	0.00	0.00	0.00	0.00
Employee's Withholding under 3509(b)	0.00	0.00	0.00	0.00
Total Taxes not actually withheld	140,313.26	71,948.46	0.00	0.00

Penalties Computations

Department of the Treasury - Internal Revenue Service

IRC Section 6651(a)(2), Failure to Pay Penalty, is applicable as allowed by law.**Failure to Pay Penalty shown above on Line N has been computed through****3/31/2010****The final Failure to Pay Penalty will be computed by the Service Center and billed to you at a later date.**

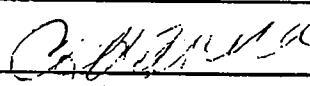
Prepared By		Group Number	District	Date
CHERYL HANNA		1318	MESA, AZ SBSE:SP:E	3/23/2010

Exhibit C

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka
Rhodes Homes, et al.,

BK-S-09-14814 LBR

Debtors.

DEPOSITION OF DEAN GRIFFITH

Las Vegas, Nevada

Thursday, February 9, 2012

Volume I

Reported by:

ALLYSON W. HARRIS

NV CCR No. 740

Job No. 13473

PAGES 1 - 83

Page 1

1 Las Vegas, Nevada; Thursday, February 9, 2012

2 9:00 a.m.

3 (Counsel stipulated to waive the reporter
4 requirements under FRCP Rule 30(b)(5)(A).)

5
6 DEAN GRIFFITH,
7 having been administered an oath, was examined and
8 testified as follows:

9
10 EXAMINATION

11 BY MR. WATSON:

12 Q Could you state for the name -- for the
13 record, please, your full name.

14 A Dean Lee Griffith.

15 Q And home address or business address?

16 A Home address is 7540 Red Cinder Street,
17 Las Vegas, Nevada 89131.

18 Q Okay. Mr. Griffith, have you had your
19 deposition taken before?

20 A Yes.

21 Q About how many times?

22 A Three.

23 Q Okay. I'm sure you're familiar with all the
24 ground rules, so I'll just go over them quickly, if
25 that's okay with you.

1 company to provide labor?

2 A Well, we didn't actually -- one of the lead
3 foremans of the pieceworkers came to us because we
4 were having prob- -- you know, because we had to send
5 away so many people that weren't legal, and so he made
6 a suggestion for us to hire Robert and Robert could
7 take care of all of our labor that we needed. You
8 know, he would take care of the hiring and the firing.
9 He'd take care of all the payroll, all the Workman's
10 Comp so we didn't have to worry about that anymore.

11 Q All right.

12 A We didn't have to worry about them --
13 because one of the big things, too, was they were
14 working for other people and you can't keep track of
15 all those people. You know, it was just too hard
16 to -- you know, say if he might have got hurt over at
17 this job, well -- and then he tried to claim it on our
18 job, so we had a lot of that. Because we always
19 carried our Workman's Comp and that was one of the
20 problems that we were having was we couldn't keep
21 track of all the manpower.

22 Q So who was the foreman that suggested using
23 Robert --

24 A His name was Ismael Curiel.

25 Q And how long had you known him?

1 Q All right. So and that was just pure square
2 foot -- that was just a pure piecework calculation.

3 A Right.

4 Q And who were they supervised by?

5 A They were supervised by -- we call them
6 pimps, but they're -- Hispanics pimps, but they were
7 like -- they would control -- like Ismael Curiel did
8 certain things. Maximino Mato did certain things,
9 Andres Nunez did certain things, you know. They
10 had -- there was a foreman for almost every phase.
11 Like layout was Maximino Mato. Framing was Andres,
12 and then the majority of the joist stack and sheeting
13 was Ismael Curiel, and then they had Joaquin that was
14 the sheeter and nailer --

15 Q So are these --

16 A -- and they would run -- those were the
17 contacts to get manpower from -- and they all were --
18 at that time they were all on Robert Kahre's payroll.

19 Q Okay. Before they went on Mr. Kahre's
20 payroll, were they on Bravo's payroll?

21 A Correct.

22 Q And the foremen that you just mentioned
23 let's take, for example, the layout person.

24 A Maximino Mato.

25 Q Okay. Was his sole responsibility to

1 group leaders?

2 A Joaquin, Smiley and Andres, correct.

3 Q All right. And if I look at the bottom
4 left-hand corner of the page there's a subtotal, and
5 on this particular document it's \$10,217.

6 A Correct.

7 Q Correct? And then there's another amount
8 that -- is it BRD, an abbreviation?

9 A It's an abbreviation for burden.

10 Q Burden? And what's a burden?

11 A That's for the payroll taxes, the Workman's
12 Comp, the office personnel to, you know, create this,
13 the checks or whatever they're doing to pay the
14 employees.

15 Q And who calculated the amount of the burden?

16 A I want to say there was a percentage that --
17 per the dollar amount, for the total dollar amount of
18 the labor there was a percentage that the burden is.
19 Then on some of these, I don't know if I saw them.
20 Let me see.

21 And Mona would check the burden amount to
22 make sure it was correct and then I'd sign off on it.

23 So it's not saying what the burden
24 percentage is.

25 Q Was that percentage spelled out in the

1 contract between Bravo and Union Pacific?

2 A Yes. Yeah, like see this one down here is
3 where Mona corrected it.

4 Q All right. Which page are you on if you
5 just -- lower right-hand corner?

6 A Twenty-five.

7 Q Twenty-five. Thank you.

8 A Yeah, so when she brought it to me, she
9 would say what she did and then I would double-check
10 it and --

11 Q And on page 2- -- Bates No. 00025 there is
12 some typed numbers. 32,290 is listed as the subtotal
13 and then all those numbers are stricken out and
14 there's handwritten numbers underneath. And you
15 recognize that as Mona's handwriting?

16 A Correct.

17 Q Okay. So the amount that you would check
18 when the document was given to you was, if we go back
19 to page 3, would be that subtotal amount, that
20 \$10,217?

21 A Correct.

22 Q And you would make sure that that was the
23 same amount that your team leaders -- or that the team
24 leaders had turned in to you as the amount worked on
25 framing or joisting that particular week.

1 A Correct.

2 Q And the burden was calculated -- when you
3 got the document, somebody had put the burden on
4 there. You didn't do that calculation; is that
5 correct?

6 A No, it was just like this and then, like I
7 said, Mona would check it and I'd sign it.

8 Q And then you would sign it.

9 And then this particular document has
10 handwritten on it "Attention: Laurie." Do you know
11 who Laurie is?

12 A I want to say she was a lady who worked for
13 Union Pacific.

14 Q And then "Please call me at," then there's a
15 phone number, "and let me know if this is okay.
16 Thanks, Mona."

17 A Yeah.

18 Q And that's the Mona that you --

19 A Yeah, Mona Wilcox wrote that.

20 Q And you recognize her handwriting?

21 A Yes, correct.

22 Q So then you would see this document and you
23 would sign it, and what would happen to the document
24 after that?

25 A I'd give it back to Mona and then she would

1 takes you to do it.

2 A Correct.

3 Q Okay. Now, if we can go over to page 1,
4 then, of the document, have you ever seen this
5 document before? Did you see this document?

6 A I can't say that I have. It might have been
7 part of the package, but I wouldn't really look at
8 this so much as to where I signed off.

9 Q All right. So --

10 A But I might look at it to see if the total
11 amount added the same, you know, the bottom line
12 12107, and 12107, that's all.

13 Q Now, when this -- after the payroll -- or
14 after the contract with Union Pacific was signed, did
15 that whatever percentage burden impact the estimates
16 or the bid prices you were having to make on projects?

17 A No, because we had it in -- we have that in
18 our estimate, the burden, which is the same as any
19 business has a burden and that's, you know, the office
20 personnel, the payroll, the payroll taxes, you know,
21 the Medicaid and Social Security or the FICA, you know
22 what I mean?

23 Q Uh-hmm, sure.

24 A All those percentages is the burden with the
25 office personnel having to, you know, create it all,

1 you know, create the time to put in to input all this
2 into the system and get the checks printed out.

3 Q Was the burden that was -- or the percentage
4 of the burden, if you recall, that was used with the
5 Union Pacific calculations similar to the burden that
6 Bravo had used when these functions were performed
7 internally?

8 A Correct.

9 Q Was it exactly the same or you don't know?

10 A Well, I mean the burden fluctuated depending
11 on what your mod factor was for your Workman's Comp,
12 how much you were paying. So it could go anywhere
13 from 15 percent up to 20 percent.

14 Q Okay. But that was something that you were
15 used to factoring into bids or estimates for jobs.

16 A Correct.

17 Q And so the Union Pacific contract didn't
18 change the way you calculated or made those estimates
19 for the jobs.

20 A No.

21 Q After the Union Pacific contract was formed,
22 were there any office employees at the Bravo main
23 office that you let go?

24 A No.

25 Q All right. So the fact that some of those

Exhibit D

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
 Tel: (702) 382-1170 Fax: (702) 382-1169

James I. Stang, Esq. (CA Bar No. 94435)
 Shirley S. Cho, Esq. (CA Bar No. 192616)
PACHULSKI STANG ZIEHL & JONES LLP
 10100 Santa Monica Blvd., 13th Floor
 Los Angeles, California 90067-4100
 Telephone: 310/277-6910
 Facsimile: 310/201-0760
 Email: jstang@pszjlaw.com
 scho@pszjlaw.com

E-File: September 7, 2011

Zachariah Larson, Esq. (NV Bar No. 7787)
LARSON & STEPHENS
 810 S. Casino Center Blvd., Ste. 104
 Las Vegas, NV 89101
 Telephone: 702/382.1170
 Facsimile: 702/382.1169
 Email: zlarson@lslawnv.com

Attorneys Reorganized Debtors

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka
“Rhodes Homes,” et al.,¹

 Debtors.

Case No.: BK-S-09-14814-LBR
 (Jointly Administered)

 Chapter 11

Affects:
☐ All Debtors
☒ Affects the following Debtor(s)

Hearing Date: September 27, 2011
 Hearing Time: 10:30 a.m.
 Courtroom 1

Bravo, Inc. 09-14825

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf and Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

**DECLARATION OF DEAN GRIFFITHS IN SUPPORT OF DEBTORS' OBJECTION
TO CLAIM NO. 7 FILED BY THE INTERNAL REVENUE SERVICE AGAINST
DEBTOR BRAVO, INC. [RE: DOCKET NO. 1377]**

I, Dean Griffiths, declare as follows:

1. I am an individual over the age of 18 years of age. Unless stated otherwise, the facts set forth in this declaration are within my personal knowledge. If called upon to testify, I could and would competently testify to the facts set forth herein.

2. I was employed by Bravo, Inc., dba Rhodes Framing ("Bravo") from 1996 to 2004 in various positions including General Manager and General Superintendent. Bravo was the division of Rhodes Homes that was responsible for framing homes for various building projects in the Las Vegas area.

3. In the early 2000's, there was a housing market boom. Consequently, during that time Bravo was very busy on a number of building projects and the number of manual laborers employed by Bravo grew at a high rate. Bravo became concerned with its ability to handle the administrative and recordkeeping requirements for the employment of the growing number of new laborers that it needed to sustain production on the increasing number of building projects.

4. I was introduced to Robert Kahre through one of Bravo's employees. I met Kahre on one occasion. Kahre represented to me that his company, Union Pacific Construction ("Pacific"), could provide manual laborers for Bravo's projects as a subcontractor, thereby eliminating Bravo's administrative burden and payment obligations with respect to these laborers. On this basis, Bravo engaged Pacific beginning in the early 2000's as a subcontractor to provide laborers to work on Bravo's building projects.

5. After Bravo engaged Pacific, Pacific (with Bravo's consent) hired certain of Bravo's employees as its own employees. The former Bravo employees retained by Pacific were no longer Bravo's employees and Bravo had no responsibility for these employees. Pacific provided both former Bravo employees and other of Pacific's employees as laborers to work on building projects of Bravo's. Pacific had the sole responsibility of paying the former Bravo employees hired by Pacific, as well as any other employees of Pacific, who worked on Bravo's

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

building projects. Pacific was also responsible for all other matters that an employer would have with respect to its own employees, including payroll, workmans' compensation insurance, labor disputes, and withholding and payment of taxes to the proper taxing authorities.

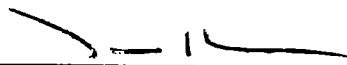
6. After Bravo hired Pacific as a subcontractor, Bravo continued to maintain its own employees, who were long-time hourly or salaried employees, such as supervisors and foremen such as myself.

7. During the time that Pacific served as subcontractor to Bravo, I did not know that Kahre or Pacific may not have paid or withheld taxes owed by Pacific or Pacific's employees. Nor am I aware that any other employee or officer of Bravo or Rhodes Homes was aware at that time that Kahre or Pacific may not have paid taxes owed by Pacific or Pacific's employees.

After Pacific had been engaged by Bravo for a period of time, I heard that Pacific or Kahre may have been involved in a gold coin payment arrangement and, immediately after I discovered this, Bravo terminated its relationship with Pacific and Kahre.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 7 day of September, 2011 at Las Vegas, Nevada.


Dean Griffith

CERTIFICATE OF SERVICE

1. On the 7th day of September 2011, I served the following document(s):

**DECLARATION OF DEAN GRIFFITHS IN SUPPORT OF DEBTORS' OBJECTION
TO CLAIM NO. 7 FILED BY THE INTERNAL REVENUE SERVICE AGAINST
DEBTOR BRAVO, INC. [RE: DOCKET NO. 1377]**

2. I served the above-named document(s) by the following means to the persons as listed below:

(check all that apply)



a. **United States mail, postage fully prepaid**

(List persons and addresses. Attach additional paper if necessary)

PLEASE SEE ATTACHED.

3. On **September 7, 2011** I served the above-named document(s) by the following means to the persons as listed below:

(check all that apply)



a. **ECF System** *(You must attach the "Notice of Electronic Filing", or list all persons and addresses and attach additional paper if necessary)*

I declare under penalty of perjury that the foregoing is true and correct.

Signed on (date): September 7, 2011

Sophia L. Lee

(Name of Declarant)

/s/Sophia L. Lee

(Signature of Declarant)

ECF SERVICE LIST

09-14814-lbr Notice will be electronically mailed to:

KEVIN N. ANDERSON on behalf of Creditor JAMES RHODES

kanderson@fabianlaw.com, sburdash@fabianlaw.com

BRETT A. AXELROD on behalf of Creditor SAGEBRUSH ENTERPRISES, INC.

baxelrod@foxrothschild.com,

pkois@foxrothschild.com; rdittrich@foxrothschild.com; msheffield@foxrothschild.com; ldupree@foxrothschild.com

J. THOMAS BECKETT on behalf of Creditor CREDITORS COMMITTEE

ECF@parsonsbehle.com

SHIRLEY S. CHO on behalf of Debtor THE RHODES COMPANIES, LLC

scho@pszjlaw.com

JANET L. CHUBB on behalf of Creditor COMMERCE ASSOCIATES, LLC

bsalinas@armstrongteasdale.com

DAVID A. COLVIN on behalf of Creditor DANA KEPNER COMPANIES, LLC

dcolvin@maclaw.com,

mwalters@maclaw.com; kgallegos@maclaw.com; tszostek@maclaw.com; bfrauenfeld@maclaw.com

NATALIE M. COX on behalf of Plaintiff EUGENE DAVIS

ncox@klnevada.com, bankruptcy@klnevada.com; bbroussard@klnevada.com

THOMAS E. CROWE on behalf of Creditor SHANE SMITH

tcrowelaw@yahoo.com

DAMON K. DIAS on behalf of Creditor X-It at 215, LLC

ddias@diaslawgroup.com, bankruptcy@diaslawgroup.com

TRACY A. DIFILLIPPO on behalf of Creditor COMMERCE ASSOCIATES, LLC

tdifillippo@jonesvargas.com, enunez@jonesvargas.com; ehardy@jonesvargas.com

CONOR P. FLYNN on behalf of Creditor COMMERCE ASSOCIATES, LLC

cflynn@jonesvargas.com

PHILIP S. GERSON on behalf of Creditor CLARK COUNTY

banknv@rocgd.com, mburgener@rocgd.com

REW R. GOODENOW on behalf of Creditor CREDITORS COMMITTEE

ecf@parsonsbehle.com

JAMES D. GREENE on behalf of Plaintiff EUGENE DAVIS

jgreene@greeneinfusolaw.com,
fritchie@greeneinfusolaw.com; kfarney@greeneinfusolaw.com; bschmidt@greeneinfusolaw.com;
cwalton@greeneinfusolaw.com

KIRBY C. GRUCHOW on behalf of Creditor NEVADA POWER COMPANY

hkelley@leachjohnson.com

DAVID R HAGUE on behalf of Creditor JAMES RHODES

dhague@fabianlaw.com, dromero@fabianlaw.com

CAROL L. HARRIS on behalf of Creditor In re Kitec Fitting Litigation Class Plaintiffs

c.harris@kempjones.com, jlm@kempjones.com

RODNEY M. JEAN on behalf of Creditor Credit Suisse, Cayman Islands Branch

RJEAN@LIONELSAWYER.COM,
gbagley@lionelsawyer.com; bklslclv@lionelsawyer.com; mstow@lionelsawyer.com

ROBERT R. KINAS on behalf of Creditor CATERPILLAR FINANCIAL SERVICES CORPORATION

rkinas@swlaw.com,
jmath@swlaw.com; mfull@swlaw.com; cdossier@swlaw.com; nbaig@swlaw.com; nunzueta@swlaw.com; docket_las@swlaw.com

KEITH S. KNOCHER on behalf of Creditor VALERIE SILVAS

law@lawyersinarizona.com, bank@lawyersinarizona.com

BART K. LARSEN on behalf of Creditor Reef Colonial, LLC

blarsen@klnevada.com, jierien@klnevada.com; bankruptcy@klnevada.com

ZACHARIAH LARSON on behalf of Debtor APACHE FRAMING, LLC

cshurtliff@larsonlawnv.com, ssanton@larsonlawnv.com; akosina@larsonlawnv.com

NILE LEATHAM on behalf of Creditor STEERING COMMITTEE OF SENIOR SECURED LENDERS

nleatham@klnevada.com, ckishi@klnevada.com; bankruptcy@klnevada.com

ANNE M. LORADITCH on behalf of Creditor JAMES RHODES

aloraditch@foxrothschild.com,
pkais@foxrothschild.com; rdittrich@foxrothschild.com; msheffield@foxrothschild.com

VIRGINIA CRONAN LOWE on behalf of Creditor UNITED STATES OF AMERICA - INTERNAL REVENUE SERVICE

virginiacronan.lowe@usdoj.gov, Western.Taxcivil@usdoj.gov

ERIC D. MADDEN on behalf of Other Prof. THE LITIGATION TRUST OF THE RHODES COMPANIES, LLC

emadden@diamondmccarthy.com, cburrow@diamondmccarthy.com

JANIECE S MARSHALL on behalf of Creditor STANLEY CONSULTANTS, INC.

, car@amclaw.com; lom@amclaw.com; crb@amclaw.com; csh@amclaw.com

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

1 EDWARD M. MCDONALD on behalf of U.S. Trustee U.S. TRUSTEE - LV - 11
2 edward.m.mcdonald@usdoj.gov

3 SUSAN L. MYERS on behalf of Creditor Credit Suisse, Cayman Islands Branch
4 smyers@lacsnet.org, emontes@lacsnet.org; bklsclv@lionelsawyer.com

5 JEFFREY D. OLSTER on behalf of Creditor HARSCH INVESTMENT PROPERTIES -
6 NEVADA, LLC
7 sallade@lbbslaw.com

8 OMNI MANAGEMENT GROUP, LLC (bo)
9 bosborne@omnimgt.com, sewing@omnimgt.com

10 ERIC RANSVAGE on behalf of Creditor Leslie Blasco, et al.
11 eransavage@sslplaw.com, agutierrez@sslplaw.com

12 JACOB J ROBERTS on behalf of Other Prof. THE LITIGATION TRUST OF THE RHODES
13 COMPANIES, LLC
14 jroberts@diamondmccarthy.com, cburrow@diamondmccarthy.com

15 BRIAN D. SHAPIRO on behalf of Other Prof. THE LITIGATION TRUST OF THE RHODES
16 COMPANIES, LLC
17 bshapiro@brianshapirolaw.com,
18 ecf@brianshapirolaw.com; brianshapiroesq@yahoo.com; bshapiro@brianshapirolaw.com; candice@brianshapirolaw.com

19 SHLOMO S. SHERMAN on behalf of Interested Party REORGANIZED DEBTORS
20 ssherman@klnevada.com, bankruptcy@klnevada.com; bbroussard@klnevada.com

21 MARK R. SOMERSTEIN on behalf of Creditor WELLS FARGO BANK, N.A.
22 mark.somerstein@ropesgray.com

23 ELIZABETH E. STEPHENS on behalf of Attorney SULLIVAN HILL LEWIN REZ & ENGEL
24 stephens@sullivanhill.com,
25 calderone@sullivanhill.com; vidovich@sullivanhill.com; roberts@sullivanhill.com; hill@sullivanhill.com; Manning@sullivanhill.com; stein@sullivanhill.com

26 JEFFREY R. SYLVESTER on behalf of Creditor CREDIT SUISSE, CAYMAN ISLANDS
27 BRANCH
28 jeff@sylvesterpolednak.com

TIMOTHY P. THOMAS on behalf of Creditor STEERING COMMITTEE OF SENIOR
SECURED LENDERS
, veralynn@tthomaslaw.com

U.S. TRUSTEE - LV - 11
USTPRegion17.lv.ecf@usdoj.gov

DONALD H. WILLIAMS on behalf of Creditor Westar Kitchen & Bath, LLC
DonaldHWilliamsLaw@gmail.com, taylor sellers@gmail.com

MICHAEL YODER on behalf of Other Prof. THE LITIGATION TRUST OF THE RHODES
COMPANIES, LLC
myoder@diamondmccarthy.com, cburrow@diamondmccarthy.com

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

Exhibit E

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka
Rhodes Homes, et al.,

BK-S-09-14814 LBR

Debtors.

DEPOSITION OF JAMES GARNER

Las Vegas, Nevada

Wednesday, January 18, 2012

Volume I

Reported by:

ALLYSON W. HARRIS

NV CCR No. 740

Job No. 130614B

PAGES 1 - 42

Page 1

1 Las Vegas, Nevada, Wednesday, January 18, 2012

2 10:50 a.m.

3
4 JAMES GARNER,

5 having been administered an oath, was examined and
6 testified as follows:

7
8 EXAMINATION

9 BY MS. LOWE:

10 Q Okay. This is -- my name is Virginia Lowe
11 and this is the deposition of James Garner in the
12 Rhodes Companies bankruptcy action.

13 And, Mr. Garner, could you spell your name
14 for the record, please?

15 A J-a-m-e-s, G-a-r-n-e-r.

16 Q Okay. And can you tell us your address?

17 A 4670 Hoeker Way, Las Vegas, Nevada 89147.

18 Q Okay. And have you ever had your deposition
19 taken before?

20 A Yes.

21 Q Okay. And when was that?

22 A A couple times years ago for construction
23 defect stuff.

24 Q Okay. And so you know that everything you
25 say is -- you're testifying under oath and that you

1 Q Okay. So when you were a job foreman for
2 Bravo, did you receive a paycheck from Bravo?

3 A Yeah.

4 Q Okay.

5 A Yes.

6 Q And did your -- the people under you, do you
7 know if they received paychecks?

8 A Yes.

9 Q And how did you know that they received
10 paychecks?

11 A Because I would hand them out to them.

12 Q Okay. So as part of -- how would you come
13 to have their paychecks? Where would you get them
14 from?

15 A From the office.

16 Q Okay. So you would go to the office and the
17 paychecks were already there?

18 A Or they would be delivered to us --

19 Q Okay.

20 A -- at the site.

21 Q Okay. And then you would hand them out to
22 the people that were on your crew?

23 A Right.

24 Q Okay. Now, how did their -- how did the
25 crew hours get reported to -- in order for that --

1 A -- they would send somebody else to fix it,
2 yeah.

3 Q Okay. And these people were all at the time
4 working for Bravo?

5 A Yes.

6 Q Okay, okay.

7 So you said there was a meeting in the
8 office involving all these individuals. Do you -- and
9 you were at this meeting, and do you recall what was
10 discussed at the meeting?

11 A Basically they just -- we were told that it
12 was going to be like a payroll service to where those
13 crew leaders would just be paid through the payroll
14 service.

15 Q Whose payroll service?

16 A Robert Kahre and George, Big George.

17 Q Okay.

18 A And the meeting was basically that as far as
19 if somebody got hurt, because the crew leaders weren't
20 always on the job site, so if somebody got hurt from
21 their crews, you know, you'd have to call the crew
22 leader and let them know and just what to do about
23 that.

24 Q Okay, okay.

25 And do you know how long the meeting lasted?

1 A Union Pacific, yeah.

2 Q Okay. And so the payroll was going to be
3 run through Union Pacific?

4 A I believe that's what the name of it was,
5 yes.

6 Q Okay. And was there any -- after this --
7 did there -- was there a reason given for the --
8 having Mr. Kahre's company take over a portion of the
9 payroll?

10 A I would say the reason that I remember it
11 being was a lot to do with the insurance, and as far
12 as -- yeah, I guess just the insurance.

13 Q Okay.

14 A And the -- for the crew leader, the crews.

15 Q Okay. So I take it these were the crew
16 leaders -- you've named Ismael Curiel, Andres Nunez
17 and Joaquin Barrajas as the crew leaders.

18 A Right.

19 Q And so was it just their crews that were
20 going to be serviced by the Kahre payroll service
21 company or the Kahre payroll?

22 A Yes.

23 Q Okay.

24 A I believe so.

25 Q And there was other crews, though, leaders

1 A Well, the manager of the framing company was
2 the only one that was allowed to set the hourly
3 wage.

4 Q Okay. And who would that have been during
5 your tenure there?

6 A There was in all the time I was there Dirk,
7 Steve Fisher was briefly, Gary Causey, Dean. Dean was
8 the one that was there when I left, Dean.

9 Q It was up to that person -- those
10 individuals to set the hourly wage for the workers?

11 A Correct.

12 Q Okay. And then did -- and what about in
13 general, what about the tools that the workers, the
14 employees used on the job site?

15 A The tools?

16 Q Yes.

17 A We never supplied tools, maybe a Hilti gun
18 now and then, because when you order a lot of Hilti
19 pins they would give you a free Hilti gun, so maybe
20 the framers would get a Hilti gun once in a while, but
21 as far as tools, we never provided tools.

22 Q Okay.

23 A It was all personal --

24 Q Okay, okay.

25 A -- for the most part.

Exhibit F

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka
Rhodes Homes, et al.,

BK-S-09-14814 LBR

Debtors.

DEPOSITION OF PAMELA GARNER

Las Vegas, Nevada

Wednesday, January 18, 2012

Volume I

Reported by:

ALLYSON W. HARRIS

NV CCR No. 740

Job No. 130614A

PAGES 1 - 54

Page 1

1 Las Vegas, Nevada, Wednesday, January 18, 2012

2 8:57 a.m.

3
4 PAMELA GARNER,

5 having been administered an oath, was examined and
6 testified as follows:

7
8 EXAMINATION

9 BY MS. LOWE:

10 Q Okay. We're here for the deposition of
11 Pamela Garner.

12 And can you spell your name for the record,
13 please?

14 A First and last?

15 Q Yes, please.

16 A P-a-m-e-l-a, last name G-a-r-n-e-r.

17 Q Okay. And can you tell me your address,
18 please?

19 A 4670 Hoeker Way, Las Vegas, Nevada 89147.

20 Q Okay. And what's your telephone number?

21 A 629-2289. That's my home number. If you
22 want my . . .

23 Q No, that's fine. And that's 702 area code?

24 A Yes.

25 Q And have you ever had your deposition taken

1 Q Okay. And who did you -- who was your
2 supervisor?

3 A Mona Wilcox.

4 Q Okay. And then how long did you remain a
5 receptionist?

6 A Maybe a year. Around a year give or take a
7 couple months.

8 Q And what were your duties as a receptionist?

9 A Answering phones, having guys come in from
10 the field fill out applications, manage --

11 Q When you said guys coming in from the
12 field --

13 A Potential applicants coming in to fill out
14 applications to go to work for us.

15 Q Okay.

16 A And making sure that was organized. Taking
17 care of the mail, answer phones. Just making sure
18 everything was quiet and running smoothly up front.

19 Q Okay. And when you said they filled out
20 applications, what type of jobs were they filling out
21 applications for?

22 A Just laborers, hourly workers. Just guys
23 that were going to go and build houses, basically.

24 Q Okay. And who would review those
25 applications usually?

1 A The foreman. Usually the foreman would know
2 the person before they sent them in. So it was up to
3 the foreman or the construction manager, whoever
4 construction manager it was at the time.

5 Q Okay. And do you remember who the
6 construction manager was when you were the
7 receptionist?

8 A Dirk Griffith.

9 Q Okay. And then when you -- what did you
10 do -- oh, and where were -- where was the office
11 located when you were a receptionist?

12 A On Hacienda.

13 Q Okay.

14 A I can't remember the exact number, but it
15 was off of Valley View on Hacienda a little bit up
16 from Tropicana.

17 Q Okay. And how many -- what was -- how was
18 the office set up? Like how many offices -- were
19 there offices within the office?

20 A Yes.

21 Q Okay.

22 A Because there was one, two, three, four in
23 the shop when I first started, because they added on
24 like four or five offices, and then my area up front
25 and then the kitchen in the back.

1 sheets?

2 A Yes.

3 Q Okay, okay.

4 A And they'd have to sign them.

5 Q And they would sign them, and then they
6 would bring them in, and then what would you do with
7 them?

8 A I would go through them, kind of make sure
9 everything looked okay, it was coded properly, it
10 looked like it added up to the correct number of hours
11 at the bottom, whether they had overtime or not. If
12 there's a problem, I'd send it -- have to have
13 approval somewhere to change something.

14 Q Okay.

15 A And then I would just take it and enter it
16 into the program on the computer. American Contractor
17 I think it was.

18 Q Okay. And what did this program do, then,
19 on the computer?

20 A It was like a construction accounting
21 program, so it would basically allow me to job cost
22 the payroll and -- for each person, and really that --
23 and that's all I really did. So I didn't have -- it
24 was more like I was just taking the information,
25 putting it in and then it was being approved and

Exhibit G

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka
Rhodes Homes, et al.,

BK-S-09-14814 LBR

Debtors.

DEPOSITION OF MARLENE MARCUS

Las Vegas, Nevada

Wednesday, January 18, 2012

Volume I

Reported by:

ALLYSON W. HARRIS

NV CCR No. 740

Job No. 130614

PAGES 1 - 30

Page 1

1 Las Vegas, Nevada, Wednesday, January 18, 2012

2 1:50 p.m.

3
4 MARLENE MARCUS,

5 having been administered an oath, was examined and
6 testified as follows:

7
8 EXAMINATION

9 BY MS. LOWE:

10 Q Okay. This is the deposition of
11 Marlene Marcus, and my name is Virginia Lowe and I
12 represent the United States in this litigation, and
13 Justin Bell is appearing by telephone, representing
14 the reorganized debtors.

15 And, Ms. Marcus, could you spell your full
16 name for the record, please?

17 A My first name is M-a-r-l-e-n-e. My last
18 name is M-a-r-c-u-s.

19 Q Okay. And can you give us your address,
20 please?

21 A 1109 Sulphur Springs Lane, Unit 101,
22 Las Vegas, Nevada 89128.

23 Q And can you give us your telephone number,
24 please?

25 A Area code (702) 804-1490.

1 MR. BELL: Right as you asked me if I had
2 any questions.

3 MS. LOWE: Oh, good, good. We were hoping
4 that was the case. We thought oh, no, I hope he was
5 there the whole time. Okay.

6 MR. BELL: I was, thank you.

7 MS. LOWE: Okay. Good.

8 MR. BELL: Yeah, I just have a couple of
9 questions.

10 MS. LOWE: Okay.

11 EXAMINATION

12 BY MR. BELL:

13 Q Marlene, when you testified that when Rhodes
14 needed workers, he would call Union Pacific to get
15 some, is it -- do you have any understanding about --

16 MS. LOWE: You know what I -- objection to
17 the characterization of her testimony.

18 BY MR. BELL:

19 Q Okay. Marlene, did you testify that when
20 Rhodes needed workers, he would call Union Pacific?

21 A That was my knowledge.

22 Q Okay. Do you have any understanding as to
23 what happened to those UPC workers or what happened to
24 those workers when they were finished with their
25 Rhodes projects?

1 A No.

2 Q So is it safe to assume that they went back
3 to working on other Union Pacific projects?

4 A I would assume so.

5 Q Okay.

6 MR. BELL: Those are my only questions.
7 Thank you.

8 FURTHER EXAMINATION

9 BY MS. LOWE:

10 Q When Mr. Bell just asked that last question
11 that you were making an assumption that they were
12 working on Union Pacific construction projects --

13 A Uh-huh.

14 Q -- did any of those other workers work for
15 Bravo after you --

16 A I believe Bravo hired some of them.

17 Q Okay. So they would do work for Bravo after
18 this was -- after --

19 A I believe so, yes.

20 Q Okay. So the attorneys shut it down and
21 then they actually went on the Bravo payroll?

22 A Well, I wouldn't put it that way. I believe
23 that some of them applied for employment at Bravo and
24 some were accepted, yes.

25 Q Okay. When you said someone would call UPC,

Exhibit H

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka
Rhodes Homes, et al.,

BK-S-09-14814 LBR

Debtors.

DEPOSITION OF SERGIO JUAREZ

Las Vegas, Nevada

Tuesday, January 17, 2012

Volume I

Reported by:

ALLYSON W. HARRIS

NV CCR No. 740

Job No. 130606

PAGES 1 - 51

Page 1

1 Las Vegas, Nevada, Tuesday, January 17, 2012

2 1:53 p.m.

3 SERGIO JUAREZ,

4 having been administered an oath, was examined and
5 testified as follows:

6
7 EXAMINATION

8 BY MS. LOWE:

9 Q And this is the deposition of Sergio Juarez.
10 And could you spell your name for the court reporter,
11 please?

12 A Sergio is S-e-r-g-i-o, Juarez,
13 J-u-a-r-e-z.

14 Q Okay. And I'm Virginia Lowe representing
15 the United States, and also present here is Abid
16 Qureshi.

17 MR. QURESHI: Yes, and I represent the
18 reorganized debtor. So, Mr. Juarez, for your benefit,
19 what that means is Rhodes, the Rhodes company went
20 through Chapter 11. When the government proceedings
21 came to an end, a new entity was formed and we refer
22 to that as the reorganized debtor, and I represent
23 that company, the successor to Rhodes, basically, to
24 Rhodes Homes.

25 THE WITNESS: Okay.

1 meeting in the office.

2 Q Okay, okay.

3 And do you know who he would have had a
4 meeting with?

5 A Just I believe it was Dean Griffith in
6 there.

7 Q Okay. And did you know anything about what
8 their meeting was about?

9 A Something about -- about -- how did it go?
10 Something about paying them, paying guys or
11 something.

12 Q Paying the workers?

13 A Uh-hmm, yeah.

14 Q Okay. Paying them differently than
15 currently being paid?

16 A That I don't know.

17 Q Okay, okay.

18 A I didn't understand, like I said, how they
19 were -- you know, I got paid a paycheck and --

20 Q Right.

21 A You know, that's about it.

22 Q Did any of your crew ever -- was any of your
23 crew ever paid in cash, do you know?

24 A That I don't know. All my crew I took
25 paychecks to.

1 Q Okay.

2 A I delivered paychecks.

3 Q Okay. Was the paycheck in an envelope?

4 A Uh-hmm.

5 Q Okay. So did you know what was in the
6 envelope or --

7 A Yes.

8 Q Okay. And it was a check?

9 A Uh-hmm.

10 Q Okay. And then did you ever see, though,
11 envelopes with cash --

12 A No, ma'am.

13 Q -- at Bravo?

14 A Everything I took to my guys were all
15 checks.

16 Q Okay. Did you remember -- ever remember an
17 incident involving the Hell's Angels that occurred at
18 the Bravo office?

19 A Uh-hmm.

20 Q Can you explain what that was?

21 A Something about holding somebody's check
22 that was good friends with them, and they came in to
23 collect it and that was it.

24 Q Okay.

25 A Nothing ever happened.

1 from his crew.

2 A There were guys that worked trusses
3 throughout the valley.

4 Q Okay. And then Andres you said did?

5 A Framed walls.

6 Q Framed walls?

7 A Uh-hmm.

8 Q And do you recognize any of the names in his
9 crew?

10 A I remember first names.

11 Q Okay. And then how about "Haykin"?

12 A "Wah keen?"

13 Q "Wah keen", sorry.

14 A That's okay. I don't remember ever using --
15 calling any of those guys' names out.

16 Q Okay.

17 A I wouldn't see them all that often because,
18 like I said, everything was what they called stage
19 framing.

20 Q Right, right.

21 A Sometimes I wouldn't come until all these
22 guys were gone because, like I said, they would build
23 the house.

24 Q Right.

25 A I would come in and put all the decorations